

**AN ORDINANCE BY
FINANCE/ EXECUTIVE COMMITTEE**

10-0-0747

AN ORDINANCE AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ESTABLISH A SOLID WASTE RENEWAL AND EXTENSION FUND; TO ESTABLISH THE FLOW OF FUNDS; AND FOR OTHER PURPOSES.

WHEREAS, the Solid Waste Enterprise Fund is a non-major proprietary fund of the City of Atlanta ("City"); and

WHEREAS, the Solid Waste Enterprise Fund should support all related operating and maintenance expenses and capital expenses for City solid waste activities; and

WHEREAS, solid waste revenues do not fully cover the capital expenses associated with the solid waste activity; and

WHEREAS, the City's solid waste collection vehicles are the primary asset utilized in generating revenue to the Solid Waste Enterprise Fund, and these collection vehicles are near the end of their useful life; and

WHEREAS, the City's Five Year Plan has identified the need to fund capital expenses including critical rolling stock requirements comprised primarily of solid waste collection vehicles and to eliminate fund deficits; and

WHEREAS, Generally Accepted Accounting Principles ("GAAP") permits enterprise renewal and extension funds to be used as the primary fund to finance capital improvements and replacement expenses for United States municipal enterprise fund systems; and

WHEREAS, GAAP mandates a flow of funds as the memorandum of understanding to address the obligations of municipal enterprise fund systems; and

WHEREAS, the City desires to authorize the creation of the Solid Waste Renewal and Extension Fund and the Flow of Funds to comply with GAAP requirements and as a means of maintaining internal controls and transparency within the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY ORDAINS, as follows:

SECTION 1: That the Chief Financial Officer is hereby authorized to establish the Solid Waste Renewal and Extension Fund.

SECTION 2: That the Flow of Funds is hereby established in the following priority order: Solid Waste Revenues will first be pledged to meet all Operating and Maintenance ("O&M") expenses of the Solid Waste Enterprise Fund.

(b) 50% of net revenues exceeding O&M expenses will flow to the Solid Waste Renewal and Extension Fund.

(c) The remaining 50% of net revenues exceeding O&M will remain in the fund balance of the Solid Waste Enterprise Fund, to eliminate the deficit fund balance.

(d) Following the fiscal year that the Solid Waste Enterprise Fund balance reflects a positive fund balance, 100% of all net revenues shall flow to the Solid Waste Renewal and Extension Fund following each year-end close.

SECTION 3: That should the Solid Waste Enterprise Fund generate sufficient operating surpluses to cover both O&M expenses and payments to cover debt service on outstanding bonds issued through the Solid Waste Management Authority, the Chief Financial Officer shall review the Flow of Funds to determine the feasibility of including such payments in the Flow of Funds.

SECTION 4: That all ordinances and parts of ordinances in conflict herewith are hereby waived to the extent of the conflict.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview: Finance/Executive Committee

Caption: AN ORDINANCE AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ESTABLISH A SOLID WASTE RENEWAL AND EXTENSION FUND; TO ESTABLISH THE FLOW OF FUNDS; AND FOR OTHER PURPOSES.

Council Meeting Date: May 17, 2010

Requesting Dept.: Department of Public Works

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).
The purpose of this legislation is to establish a Solid Waster Renewal and Extension Fund as well as establishing the flow of these funds.

2. Please provide background information regarding this legislation.

3. If Applicable/Known:

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**

(b) **Source Selection:**

(c) **Bids/Proposals Due:**

(d) **Invitations Issued:**

(e) **Number of Bids:**

(f) **Proposals Received:**

(g) **Bidders/Proponents:**

(h) **Term of Contract:**

4. Fund Account Center:

5. Source of Funds:

6. Fiscal Impact:

7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By: James Swope

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: CANDACE BYRD

Dept.'s Legislative Liaison: James Swope

Contact Number: (404) 330-6293

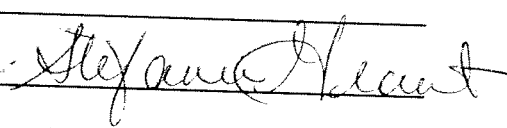
Originating Department: Department of Public Works

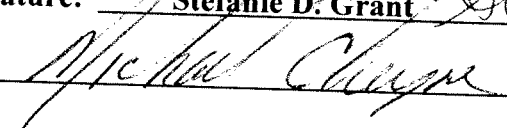
Committee(s) of Purview: Finance/Executive Committee

Chief of Staff Deadline: April 13, 2010

Anticipated Committee Meeting Date(s): May 11, 2010

Anticipated Full Council Date: May 17, 2010

Legislative Counsel's Signature: Stefanie D. Grant 

Commissioner Signature: 

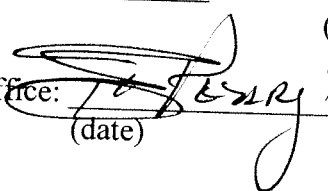

Chief Procurement Officer Signature: _____

CAPTION

AN ORDINANCE AUTHORIZING THE CHIEF FINANCIAL OFFICER TO ESTABLISH A SOLID WASTE RENEWAL AND EXTENSION FUND; TO ESTABLISH THE FLOW OF FUNDS; AND FOR OTHER PURPOSES.

Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____
(date) (date)

Received by Mayor's Office:  4/13/10 Reviewed by: 
(date) (date)

Submitted to Council: _____